



VIRGIN ISLANDS PORT AUTHORITY

Gateways to the United States Virgin Islands and its Economy

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TESTIMONY OF VIRGIN ISLANDS PORT AUTHORITY EXECUTIVE DIRECTOR CARLTON DOWE

Good morning, Honorable Senate President Milton Potter, Chairman of the Committee of the Whole of the 36th Legislature of the Virgin Islands, esteemed senators, legislative staff, and the listening and viewing audience. I am Carlton Dowe, the Executive Director of the Virgin Islands Port Authority (VIPA).

Thank you for the opportunity to testify on Bill No. 36-0128, regarding the rezoning application of Benoit Group, LLC for Parcel 68A, Estate Lindbergh Bay, 4A Southside Quarter, St. Thomas (hereinafter referred to as the Leased Premises). I would like to confirm that the Virgin Islands Port Authority has entered into a long-term lease agreement with the Benoit Group, LLC. The Benoit Group aims to develop an affordable housing community on Parcel 68A at Estate Lindbergh Bay which consists of 4.798 acres. They have committed to constructing a housing complex with a minimum of one hundred (100) residential units on the property, commonly known as Thatch Farm. VIPA fully supports the rezoning of Parcel 68A, as the construction of this housing development will significantly contribute to the rental

housing stock in St. Thomas, which is desperately needed.

Parcel 68A Estate Lindbergh Bay is part of the surplus land transferred by the United States Government through the General Services Administration to the Government of the Virgin Islands. This transfer occurred in 1966 to support St. Thomas airport and aviation-related activities. While the surplus aviation properties were conveyed for airport development, any property not directly needed for aviation could revert to the federal government or remain available to the airport sponsor for other supportive activities. Consequently, these “non-aeronautical surplus” properties may be leased by VIPA for non-aviation uses, provided they are rented at fair market value with no objection from the Federal Aviation Administration.

As the successor of the property conveyed to the Government of the Virgin Islands for airport purposes, VIPA is obligated to adhere to the covenants in the quitclaim deed. Thus, whenever VIPA intends to use surplus properties for non-aeronautical purposes, it must obtain clearance from the Federal Aviation Administration (FAA). Furthermore, VIPA is required to rent the properties at fair market value whenever they are leased. VIPA has successfully sought and obtained the FAA’s clearance to use Parcel 68A for residential purposes as planned by Benoit Group.

VIPA strongly supports the rezoning of Parcel 68A Estate Lindbergh Bay to “Medium Residential.” For those familiar with the west end neighborhoods of St.

Thomas, which include the Kirwan Terrace Housing Community and the former Gladys Abraham Elementary School, this property is located behind these neighborhoods and is locally referred to as the “Thatch Farm” property. It has been used for residential purposes for the past 40 to 50 years. The previous VIPA tenant operated a guest house and bar on the property. Prior to that, it was home to a guest house and nightclub. We believe that residential use is the highest and best use for this parcel, considering its surrounding neighborhoods.

VIPA has entered into a development agreement and a long-term lease agreement for residential purposes. The lease agreement is structured to accommodate the extended term needed by the developer to secure financing for a project of this scale. VIPA has set a lease term of forty (40) years, during which the developer is required to invest a minimum of fifty-five million dollars (\$55,000,000.00) in the project. This arrangement allows the developer to manage its financing and achieve a reasonable return on its investment. For VIPA, we anticipate receiving fair rental income from the property while most importantly being part of the solution to the housing crisis in providing housing opportunities to the St. Thomas community. For these reasons and many more, I support changing the zoning designation for Parcel 68A from Public (P) to Residential-Medium (R-3).

Senate President Potter, this concludes my testimony. I am available to answer any questions regarding this matter.